

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File No. EB-04-IH-0522
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)	
Teletronics, Inc.)	NAL/Acct. No. 200532080138
)	
)	
Apparent Liability for Forfeiture)	
)	

**NOTICE OF APPARENT LIABILITY
FOR FORFEITURE AND ORDER**

Adopted: July 25, 2005

Released: July 25, 2005

By the Commission:

I. INTRODUCTION

1. In this Notice of Apparent Liability for Forfeiture (“NAL”), we find that Teletronics, Inc. (“Teletronics”), a telecommunications carrier that has been operating and at least indirectly benefiting from federal programs supporting the telecommunications industry for years, apparently failed to meet its statutory and regulatory obligations related to those programs. Based upon our review of the facts and circumstances surrounding this matter, we conclude that Teletronics is apparently liable for a total forfeiture of \$692,000.

2. Specifically we find Teletronics has apparently violated sections 64.1195(a) of the Commission’s rules by willfully and repeatedly failing to register with the Commission from April 2, 2001 to the current date.¹ We also conclude that Teletronics has apparently violated 54.711(a), 64.604(c)(5)(iii)(B), and 52.17(b) of our rules by failing to submit certain Telecommunications Reporting Worksheets from 1999 to the current date.² We further find that Teletronics has apparently violated sections 254(d) and 251(e)(2) of the Communications Act of 1934, as amended (the “Act”),³ and sections 54.706(a), 64.604(c)(5)(iii)(A) and 52.17(a) of the Commission’s rules by willfully and repeatedly failing to contribute to the Universal Service Fund (“USF”), Telecommunications Relay Service (“TRS”) Fund, and cost recovery mechanisms for North American Numbering Plan Administration (“NANPA”).⁴ Finally, we find that Teletronics has apparently violated sections 1.1154 and 1.1157(b)(1) of the Commission’s rules by willfully and repeatedly failing to pay regulatory fees to the Commission.⁵

¹ 47 C.F.R. §§ 64.1195(a).

² 47 C.F.R. §§ 54.711(a), 64.604(c)(5)(iii)(B), 52.17(b).

³ 47 U.S.C. §§ 254(d), 251(e)(2).

⁴ 47 C.F.R. §§ 54.706(a), 64.604(c)(5)(iii)(A), 52.17(a).

⁵ 47 C.F.R. §§ 1.1154, 1.1157(b)(1).

3. We order Teletronics to submit within thirty days, either as part of its response to this NAL or separately, a report, supported by a sworn statement or declaration under penalty of perjury of a corporate officer, setting forth in detail its plan to come into compliance with the relevant payment and reporting rules discussed herein. We further order Teletronics to file with the Universal Service Administrative Company (“USAC”) within thirty days all Annual Telecommunications Reporting Worksheets required under the Commission’s rules from the date Teletronics began providing telecommunications service in the United States to the date of this NAL.⁶

II. BACKGROUND

4. Teletronics, Inc., also doing business as Teletronics Services, Inc., is an Ohio-based telecommunications provider that offers integrated telecommunications systems to business users.⁷ In 1999, it began reselling intrastate, interstate, and international long-distance service purchased from MCI and other carriers as part of its packaged offerings.⁸

5. The Commission is charged by Congress with regulating interstate and international telecommunications and ensuring that providers of such telecommunications comply with the requirements imposed on them by the Act and our rules.⁹ The Commission also has been charged by Congress to establish, administer and maintain various telecommunications regulatory programs, which are described in more detail below, and to fund these programs through assessments on the telecommunications providers that benefit from them. To accomplish these goals, the Commission established “a central repository of key facts about carriers” through which it could monitor the entry and operation of interstate telecommunications providers to ensure, among other things, that they are qualified, do not engage in fraud, and do not evade oversight.¹⁰ First and foremost, Commission rules require that, upon entry or anticipated entry into telecommunications markets, telecommunications carriers must register by submitting information on an FCC Form 499-A, also known as a Telecommunications Reporting Worksheet (“Annual Worksheet” or “Form 499-A”). The Commission requires telecommunications providers to submit financial information on the Worksheets to enable the Commission to determine and collect the statutorily mandated assessments.¹¹

6. The Telecommunications Act of 1996 codified Congress’s historical commitment to promote universal service to ensure that consumers in all regions of the nation have access to affordable, quality

⁶ The Commission has appointed USAC as the administrator of federal universal service support mechanisms and has made it responsible for billing and collection. 47 C.F.R. §§ 54.701(a), 54.702(b).

⁷ See www.teletronics-inc.com.

⁸ See Letter from David A. Ferris, Counsel for Teletronics, Inc., Ferris and Neuman, L.L.P., to Gerald H. Chakerian, Attorney, Investigations and Hearings Division, Enforcement Bureau, FCC, dated November 24, 2004. Because this letter did not specify the exact dates in 1999 that Teletronics began interstate and international services, the applicability of regulatory provisions that became effective during that year has not yet been fully determined.

⁹ See, e.g., 47 U.S.C. § 151.

¹⁰ See *Implementation of the Subscriber Carrier Selection Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 15996, 16024 (2000) (“*Carrier Selection Order*”).

¹¹ See 47 U.S.C. §§ 9(a),(b); 225(d)(3); 251(e)(2); 254(d). In 1999, to streamline the administration of the programs and to ease the burden on regulatees, the Commission consolidated the information filing requirements for multiple telecommunications regulatory programs into the annual Telecommunications Reporting Worksheet. See *1998 Biennial Regulatory Review*, Report and Order, 14 FCC Rcd 16602 (1999). The next year the Commission revised the Telecommunications Reporting Worksheet slightly to collect the additional information necessary to achieve its goal of establishing a central repository for interstate telecommunications providers by the least provider-burdensome method. *Carrier Selection Order*, 15 FCC Rcd at 16026.

telecommunications services.¹² In particular, section 254(d) of the Act requires, among other things, that “[e]very telecommunications carrier [providing] interstate telecommunications services . . . contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.”¹³ In implementing this Congressional mandate, the Commission directed all telecommunications carriers providing interstate telecommunications services and certain other providers of interstate telecommunications to contribute to the Universal Service Fund based upon their interstate and international end-user telecommunications revenues.¹⁴ Failure by some providers to pay their share into the Fund skews the playing field by giving non-paying providers an economic advantage over their competitors, who must then shoulder more than their fair share of the costs of the Fund.

7. Section 225(b)(1) of the Act, which codifies Title IV of the Americans with Disabilities Act of 1990, directs the Commission to “ensure that interstate and intrastate telecommunications relay services are available, to the extent possible and in the most efficient manner, to hearing-impaired and speech-impaired individuals in the United States.”¹⁵ To that end, the Commission established the TRS Fund to reimburse TRS providers for the costs of providing interstate telecommunications relay services.¹⁶ Pursuant to section 64.604(c)(5)(iii)(A) of the Commission’s rules, every carrier that provides interstate telecommunications services must contribute to the TRS Fund based upon their interstate end-user revenues.¹⁷

8. In addition, section 251(e)(1) of the Act directs the Commission to oversee the administration of telecommunications numbering to ensure the availability of telephone numbers on an equitable basis.¹⁸ Section 251(e)(2) of the Act requires that “[t]he cost of establishing telecommunications numbering administration arrangements . . . be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission.”¹⁹ In carrying out this statutory directive, the Commission adopted section 52.17 of its rules, which requires, among other things, that all telecommunications carriers contribute toward the costs of numbering administration on the basis of their end-user telecommunications revenues for the prior calendar year.²⁰

¹² The Telecommunications Act of 1996 amended the Communications Act of 1934. *See* Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (“1996 Act”).

¹³ 47 U.S.C. § 254(d).

¹⁴ 47 C.F.R. § 54.706(b). Beginning April 1, 2003, carrier contributions were based on a carrier’s projected, rather than historical, revenues. *Id.*

¹⁵ 47 U.S.C. § 225(b)(1).

¹⁶ *See Telecommunications Relay Services and the Americans with Disabilities Act of 1990*, Third Report and Order, 8 FCC Rcd 5300, 5301, ¶ 7 (1993) (“*TRS III Order*”). Telecommunications relay services enable persons with hearing and speech disabilities to communicate by telephone with persons who may or may not have such disabilities. Such services provide telephone access to a significant number of Americans who, without it, might not be able to make or receive calls from others. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order, 15 FCC Rcd 5140, 5143, ¶ 5 (2000). NECA currently is responsible for administering the TRS Fund.

¹⁷ 47 C.F.R. § 64.604(c)(5)(iii)(A).

¹⁸ 47 U.S.C. § 251(e)(1).

¹⁹ 47 U.S.C. § 251(e)(2).

²⁰ 47 C.F.R. § 52.17(a).

9. Finally, pursuant to section 9(a)(1) of the Act and section 1.1151 of the Commission's rules, interstate telecommunications carriers and other providers must pay regulatory fees to the Commission to cover the costs of certain regulatory activities.²¹ In particular, sections 1.1154 and 1.1157(b)(1) of the Commission's rules require that interstate telecommunications carriers pay regulatory fees on the basis of their interstate and international end-user revenues.²² Such fees must be paid on an annual basis,²³ and failure to do so subjects a carrier to late payment penalties, as well as possible revocation of its operating authority.²⁴ Further, under the Commission's "red light rule," action will be withheld on any application to the Commission or request for authorization made by any entity that has failed to pay when due its regulatory fees or any other program payment, such as USF contributions, and if payment or payment arrangements are not made within 30 days from notice to the applicant, such applications or requests will be dismissed.²⁵

10. The Commission has established specific procedures to administer the programs for universal service, telecommunications relay services, numbering administration and regulatory fees. The requirement to register discussed above is essential to the fulfillment of the universal service and other program missions because it identifies the company as potentially subject to various program requirements and enables the program administrators to oversee the company's compliance with those requirements. Upon submission of a Form 499-A registration, the carrier is issued a filer identification number by USAC, which is then associated with further filings by the company and is used to track the carrier's contributions and invoices.

11. In addition to its obligation to register, a carrier is required to file Worksheets for the purpose of determining its USF, TRS, NANPA, and regulatory fee program payments, and, with certain exceptions, to file quarterly short-form Worksheets to determine monthly universal service contribution amounts. These periodic filings trigger a determination of liability, if any, and subsequent billing and collection, by the entities that administer the regulatory programs. For example, USAC uses the revenue projections submitted on the quarterly filings to determine each carrier's universal service contribution amount.²⁶ Carriers are required to pay their monthly USF contribution by the date shown on their invoice.²⁷ The Commission's rules explicitly warn contributors that failure to file their forms or submit

²¹ Section 9(a)(1) of the Act directs the Commission to "assess and collect regulatory fees to recover the costs of the following regulatory activities of the Commission: enforcement activities, policy and rulemaking activities, user information services, and international activities." 47 U.S.C. § 159(a)(1); *see also* 47 C.F.R. § 1.1151.

²² *See* 47 C.F.R. §§ 1.1154, 1.1157(b)(1).

²³ 47 C.F.R. § 1.1157(b)(1). Section 1.1154 of the Commission's rules sets forth the schedule of annual regulatory charges and filing locations for common carrier services. *See* 47 C.F.R. § 1.1154.

²⁴ *See* 47 U.S.C. §§ 159(c)(1), (c)(3).

²⁵ 47 C.F.R. § 1.1910. The rule went into effect on November 1, 2004. *See* "FCC Announces Brief Delay in Enforcement of Red Light Rule," *Public Notice*, 19 FCC Rcd 19452 (2004).

²⁶ Individual universal service contribution amounts that are based upon quarterly filings are subject to an annual true-up. *See Federal-State Joint Board on Universal Service, Petition for Reconsideration filed by AT&T, Report and Order and Order on Reconsideration*, 16 FCC Rcd 5748 (2001) ("*Quarterly Reporting Order*"); 47 C.F.R. § 54.709(a).

²⁷ *See Globcom, Inc., Notice of Apparent Liability for Forfeiture and Order*, 18 FCC Rcd 19893, 19896 (2003) ("*Globcom*"); 47 C.F.R. § 54.711(a) ("The Commission shall announce by Public Notice published in the Federal Register and on its website the manner of payment and the dates by which payments must be made."). *See, e.g., "Proposed Third Quarter 2003 Contribution Factor," Public Notice*, 18 FCC Rcd 11442 (2003) ("Contribution payments are due on the date shown on the [USAC] invoice.") The Act and our rules, however, do not condition payment on receipt of an invoice or other notice from USAC. *See* 47 U.S.C. § 254(d); 47 C.F.R. § 54.706(b). A carrier that does not file may fail to receive an invoice from USAC, but is nonetheless required to contribute to the

their payments potentially subjects them to enforcement action.²⁸ The TRS Administrator, the NANPA Billing and Collection agent, and the Commission use the prior year's revenue information provided on the Annual Worksheet to determine amounts owed for the TRS, NANPA, and regulatory fee programs, respectively.²⁹

12. In 2004, the Enforcement Bureau ("Bureau") audit staff sought to identify resellers of telecommunications service that failed to register as telecommunications service providers with the Commission and, thus, may also have failed to satisfy various Commission program requirements.³⁰ To identify such resellers, the Bureau audit staff compared lists of resellers provided by wholesale service providers against the Commission's central repository of registered telecommunications service providers with filer identification numbers. If a reseller did not appear to have an identification number, the audit staff sent an inquiry to that reseller. On March 30, 2004 and June 18, 2004, the Bureau's audit staff sent letters to Teletronics requesting information pertaining to its compliance with the Commission's registration requirement.³¹ On August 17, 2004, following correspondence between Teletronics' counsel and audit staff clarifying the nature of Teletronics' filing obligations, Teletronics' counsel told a staff auditor in a telephone conversation that Teletronics would file a Worksheet by September 16, 2004.³² To the date of this NAL, Teletronics has not yet registered or filed any initial, annual or quarterly Worksheets.

13. The Bureau, on October 28, 2004, issued a letter of inquiry ("LOI") directing Teletronics, among other things, to submit a sworn written response to a series of questions relating to Teletronics' apparent failure to satisfy its registration, filing and payment obligations.³³ Teletronics filed its responses on November 24, 2004, and January 3, 2005.³⁴ The Teletronics November 24 Letter confirms that Teletronics did not file any Worksheets or make any contributions or regulatory fee payments.³⁵

universal service fund, unless its revenues are considered *de minimus*. The instructions for the Telecommunications Reporting Worksheet include tables for carriers to determine their annual contributions.

²⁸ 47 C.F.R. § 54.713.

²⁹ See 47 C.F.R. §§ 52.17(b), 64.604(c); *Assessment and Collection of Regulatory Fees for Fiscal Year 2004*, 19 FCC Rcd 11662, 11675, 11717 (2004).

³⁰ See 47 C.F.R. § 64.1195(a).

³¹ See Letter from Hugh L. Boyle, Chief Auditor, Investigations and Hearings Division, Enforcement Bureau, FCC, to Teletronics, Inc., dated March 30, 2004 (requesting confirmation that Teletronics had filed registration information pursuant to section 64.1195(a) of the Commission's rules) ("March 30 Audit Letter"); Letter from Hugh L. Boyle, Chief Auditor, Investigations and Hearings Division, Enforcement Bureau, FCC, to Teletronics, Inc., dated June 18, 2004 (again requesting confirmation that Teletronics had filed registration information pursuant to section 64.1195(a) of the Commission's rules) ("June 18 Audit Letter").

³² See Letter from David A. Ferris, Counsel for Teletronics, Inc., Ferris and Neuman, L.L.P., to Andrew Skadin, Auditor, Investigations and Hearings Division, Enforcement Bureau, FCC, dated July 12, 2004 ("Teletronics July 12 Letter"). The Teletronics July 12 Letter references, (1) the March 30 Audit Letter, (2) Teletronics' e-mail responses thereto on May 12 and 18, 2004 (copies of which are attached), and (3) the June 18 Audit Letter.

³³ See Letter from Hillary DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC, to Gale Kenney, Chief Executive Officer, Teletronics, Inc., dated October 28, 2004 ("LOI").

³⁴ See Letter from David A. Ferris, Counsel for Teletronics, Inc., Ferris and Neuman, L.L.P., to Gerald H. Chakerian, Attorney, Investigations and Hearings Division, Enforcement Bureau, FCC, dated November 24, 2004 ("Teletronics November 24 Letter"); Letter from David A. Ferris, Counsel for Teletronics, Inc., Ferris and Neuman, L.L.P., to Gerald H. Chakerian, Attorney, Investigations and Hearings Division, Enforcement Bureau, FCC, dated January 3, 2005 ("Teletronics January 3 Letter").

³⁵ See Teletronics November 24 Letter, Responses to Inquiries Nos. 4, 7-13.

III. DISCUSSION

14. Under section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.³⁶ To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability, the notice must be received, and the person against whom the notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.³⁷ The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.³⁸ As set forth below, we conclude under this standard that Teletronics is apparently liable for a forfeiture for its apparent willful and repeated violations of sections 254(d) and 251(e)(2) of the Act³⁹ and sections 64.1195(a), 54.711(a), 64.604(c)(5)(iii), 52.17, 54.706(a), 1.1154, and 1.1157(b)(1) of the Commission's rules.⁴⁰

15. The fundamental issues in this case are whether Teletronics apparently violated the Act and the Commission's rules by: (1) willfully or repeatedly failing to register with the Commission; (2) willfully or repeatedly failing to file Telecommunications Reporting Worksheets; (3) willfully or repeatedly failing to make requisite contributions toward the Universal Service and TRS Funds, and NANPA cost recovery mechanisms; and (4) willfully or repeatedly failing to pay regulatory fees to the Commission. We answer these questions affirmatively. Based on a preponderance of the evidence, therefore, we conclude that Teletronics is apparently liable for a forfeiture of \$692,000 for apparently willfully and repeatedly violating sections 254(d) and 251(e)(2) of the Act⁴¹ and sections 64.1195(a), 54.711(a), 64.604(c)(5)(iii), 52.17, 54.706(a), 1.1154, and 1.1157(b)(1) of the Commission's rules.⁴²

16. Specifically we propose the following forfeitures for apparent violations within the last year: (1) \$100,000 for failure to register; (2) \$250,000 for failure to file five annual or quarterly Telecommunications Reporting Worksheets; (3) \$308,000 for failure to make any monthly USF contributions; (4) \$14,000 for failure to pay the 2004 TRS Fund contribution; (5) \$10,000 for failure to make its 2005 NANPA contribution; and (6) \$10,000 for failure to make its 2004 regulatory fee program payment. Although we propose forfeitures only for apparent violations within the last year, we discuss

³⁶ 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1). Section 312(f)(1) of the Act defines willful as "the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate" the law. 47 U.S.C. § 312(f)(1). The legislative history to section 312(f)(1) of the Act clarifies that this definition of willful applies to both sections 312 and 503(b) of the Act, H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982), and the Commission has so interpreted the term in the section 503(b) context. See, e.g., *Application for Review of Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991) ("*Southern California Broadcasting Co.*"). The Commission may also assess a forfeiture for violations that are merely repeated, and not willful. See, e.g., *Callais Cablevision, Inc., Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359 (2001) (issuing a Notice of Apparent Liability for, *inter alia*, a cable television operator's repeated signal leakage). "Repeated" means that the act was committed or omitted more than once, or lasts more than one day. *Callais Cablevision, Inc.*, 16 FCC Rcd at 1362, ¶ 9; *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, ¶ 5.

³⁷ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

³⁸ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591, ¶ 4 (2002) (forfeiture paid).

³⁹ 47 U.S.C. §§ 254(d), 251(e)(2).

⁴⁰ 47 C.F.R. §§ 64.1195(a), 54.711(a), 64.604(c)(5)(iii), 52.17, 54.706(a), 1.1154, 1.1157(b)(1).

⁴¹ 47 U.S.C. §§ 254(d), 251(e)(2).

⁴² 47 C.F.R. §§ 64.1195(a), 54.711(a), 64.604(c)(5)(iii), 52.17, 54.706(a), 1.1154, 1.1157(b)(1).

below the history of Teletronics' noncompliance in prior years as useful background and to demonstrate the scope of Teletronics' misconduct.

A. Registration with the Commission

17. We conclude that Teletronics has apparently violated section 64.1195(a) of the Commission's rules by willfully and repeatedly failing to register with the Commission from 2001 to the present.⁴³ Teletronics' failure to register constitutes a clear violation of a vital Commission rule. Section 64.1195(a) of the Commission's rules unambiguously requires that all carriers that provide, or plan to provide, interstate telecommunications services register with the Commission by submitting specified information.⁴⁴ Although Teletronics began to resell interstate and international service at some point in 1999, it has never registered by filing an initial Telecommunications Reporting Worksheet since the effective date of that obligation, April 2, 2001. It has persisted in this failure even after it received the Bureau's March 30 Audit Letter and June 18 Audit Letter. Moreover, it specifically represented through counsel to the Bureau staff auditor that it would register by September 16, 2004, yet it admitted in the Teletronics November 24 Letter that it had not registered. As a direct result of this misconduct, Teletronics has operated for years without participation in any of the programs tied to registration.⁴⁵

18. We view Teletronics' failure to register since April 2, 2001 as a serious violation of its responsibilities under the Act and our rules. A carrier's compliance with the Commission's registration requirement is central to the administration of the Universal Service, TRS and NANPA programs, collection of regulatory fees, and accomplishment of Congress' objectives in sections 9(a)(1), 254(d), 225(b)(1), and 251(e) of the Act. As we noted above, a carrier's duty to register upon entry, or anticipated entry, into interstate telecommunications markets is essential to the fulfillment of the USF and other program missions because it identifies the company to the various program administrators and brings the company within the purview and oversight of these administrators. If a carrier never identifies itself as a telecommunications provider by properly registering under the Commission's rules, then neither the Commission nor the various program administrators can ascertain whether that carrier has fulfilled other regulatory obligations, including the requirement that carriers file Worksheets and contribute to USF, TRS, NANPA and regulatory fee programs. Moreover, the program administrators have no basis upon which to invoice the carrier for contributions. A telecommunications carrier that fails to register thus can operate outside of the Commission's oversight and evade its federal obligations to contribute toward the vital programs linked to registration. Based on a preponderance of the evidence, therefore, we find that Teletronics has apparently violated section 64.1195(a) of the Commission's rules by willfully and repeatedly failing to register with the Commission.

⁴³ 47 C.F.R. § 64.1195(a); *Carrier Selection Order*, 15 FCC Rcd 15996, 16025 (requiring existing carriers to register on the date the new registration requirement becomes effective by means of certain information in a Form 499-A); 66 FR 17083 (2001) (announcing that the OMB approved information collection requirement in section 64.1195 of our rules would take effect on April 2, 2001).

⁴⁴ *Id.* The Commission adopted the registration requirement in section 64.1195(a) after finding that such a requirement would enable it to better monitor the entry of carriers into the interstate telecommunications market and any associated increases in slamming activity, and, among other things, would enhance the Commission's ability to take appropriate enforcement action against carriers that have demonstrated a pattern or practice of slamming. *See Carrier Selection Order*, 15 FC Rcd at 16024 ¶ 62.

⁴⁵ Teletronics' compliance with the registration requirement that became effective April 2, 2001 would have alerted program administrators that it had operated without participation in any of the programs since it began providing interstate service in 1999.

19. Teletronics has failed to cure this apparent violation despite the Bureau's repeated inquiries. We note that, to the extent Teletronics refuses to comply with the Commission's rules on a going-forward basis, it may subject itself to additional enforcement action. In addition, we note that, to the extent Teletronics is found to be delinquent on any debt owed to the Commission (e.g., has failed to pay all of its USF contributions), the Commission will not act on, and may dismiss, any application or request for authorization filed by Teletronics, in accordance with the agency's "red light" rules.⁴⁶

B. Submission of Telecommunications Reporting Worksheets

20. We conclude that Teletronics has apparently violated sections 54.711(a), 64.604(c)(5)(iii)(B) and 52.17(b) of the Commission's rules by willfully and repeatedly failing to file annual and quarterly Telecommunications Reporting Worksheets. Teletronics has violated these rules since 1999 when it began providing telecommunications service.⁴⁷

21. Sections 54.711(a), 64.604(c)(5)(iii)(B) and 52.17(b) of the Commission's rules each clearly establish a carrier's obligation to file periodic Telecommunications Reporting Worksheets.⁴⁸ A carrier's failure to file these Worksheets as required has serious implications for the USF, TRS, NANPA and regulatory fee programs. As we noted above, the filing of a Telecommunications Reporting Worksheet prompts a determination of liability for, and subsequent billing and collection of, regulatory fees and contributions by the various administrators of the Universal Service and TRS Funds, and NANPA cost recovery mechanisms. With regard to universal service in particular, the failure of a carrier such as Teletronics to abide by its federal filing obligation has a direct and profound detrimental impact on universal service by removing from the base of contributions telecommunications revenues that otherwise should be included, thereby shifting to compliant carriers additional economic burdens associated with universal service.⁴⁹ Consequently, a carrier's failure to file required Worksheets frustrates the very purpose for which Congress enacted section 254(d) – to ensure that every interstate carrier "contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service."⁵⁰ Viewed in this context, the Telecommunications Reporting Worksheet is not simply an administrative tool, but a fundamental and critical component of the Commission's universal service, TRS, NANPA and regulatory fee programs.

22. Since the date Teletronics began providing interstate and international telecommunications service in 1999, it had an obligation to file annual and quarterly Telecommunications Reporting

⁴⁶ 47 C.F.R. § 1.1910.

⁴⁷ See 47 C.F.R. §§ 54.711(a), 64.604(c)(5)(iii)(B), 52.17(b); 64 Fed. Reg. 41320-01 (Jul. 30, 1999).

⁴⁸ *Id.*

⁴⁹ Sixty days prior to the start of each quarter, USAC is required to provide the Commission with a projection of the high cost, low income, schools and libraries, and rural health care funding requirements for the following quarter. See www.universalservice.org/overview/filings. Based on USAC's projection of the needs of the Universal Service Fund, and revenue projections from the registered carriers subject to universal service requirements, the Commission establishes a specific percentage of interstate and international end-user revenues that each subject telecommunications provider must contribute toward the Fund. This percentage is called the contribution factor. The contribution factor, and, consequently, the amount owed to the Fund by each affected telecommunications company, changes each quarter, depending on the needs of the Universal Service Fund and carrier-provided revenue projections. See www.fcc.gov/wcb/universal_service/quarter. Thus, in cases where a carrier, such as Teletronics, fails to file required Worksheets reporting its revenue projections in a timely fashion, its revenues are excluded from the contribution base from which universal assessments are derived, and the economic burden of contributing to the Fund falls disproportionately on carriers that have satisfied their reporting obligations.

⁵⁰ 47 U.S.C. § 254(d).

Worksheets in order to participate in the applicable USF, TRS, NANPA and regulatory fee programs. Moreover, Teletronics has failed to cure these deficiencies despite the Bureau's repeated contacts. Based on a preponderance of the evidence, therefore, we find that Teletronics has apparently violated sections 54.711(a), 64.604(c)(5)(iii)(B) and 52.17(b) of the Commission's rules by willfully and repeatedly failing to file annual and quarterly Telecommunications Reporting Worksheets, since it began providing telecommunications service in 1999, to the date of this NAL. The NAL proposes a forfeiture for Teletronics' failure to file the worksheets due August 1 and November 1, 2004 and February 1, April 1, and May 1, 2005.

C. Failure to Make Universal Service Contributions

23. We further conclude that Teletronics has apparently violated section 254(d) of the Act and section 54.706(a) of the Commission's rules by willfully or repeatedly failing to make any contributions to universal service support mechanisms.⁵¹ Section 54.706(c) of the Commission's rules unambiguously directs that "entities [providing] interstate telecommunications to the public . . . for a fee . . . contribute to the universal service support programs."⁵² "Interstate telecommunications" include, among other things, "resale of interstate services" such as those provided by Teletronics.⁵³ During the relevant period, Teletronics was required, pursuant to section 54.706(b) of the Commission's rules, to contribute to universal service mechanisms based upon either its historical or projected revenues.⁵⁴ Teletronics admits, however, that it has not made any universal service payments.⁵⁵ As we previously have stated:

[c]arrier nonpayment of universal service contributions undermines the efficiency and effectiveness of the universal service support mechanisms. Moreover, delinquent carriers may obtain a competitive advantage over carriers complying with the Act and our rules. We consider universal service nonpayment to be a serious threat to a key goal of Congress and one of the Commission's primary responsibilities.⁵⁶

Since Teletronics admits it has not made any universal service payments, we find that it has apparently violated section 254(d) of the Act and section 54.706(a) of the Commission's rules by willfully and repeatedly failing to make required universal service contributions, including twelve such failures within the past year which are the subject of this NAL.

D. Failure to Make Telecommunications Relay Service Contributions

24. We also find that Teletronics has apparently violated section 64.604(c)(5)(iii)(A) of the Commission's rules by willfully and repeatedly failing to make any required contributions to the interstate TRS Fund.⁵⁷ As an interstate telecommunications carrier, Teletronics was obligated to

⁵¹ 47 U.S.C. § 254(d); 47 C.F.R. § 54.706(c).

⁵² 47 C.F.R. § 54.706(c).

⁵³ See 47 C.F.R. § 54.706(a)(16).

⁵⁴ See 47 C.F.R. § 54.706(c).

⁵⁵ Teletronics November 24 Letter, Response to Inquiry No. 9.

⁵⁶ *Globcom*, 18 FCC Rcd at 19903 ¶ 26.

⁵⁷ 47 C.F.R. § 64.604(c)(5)(iii)(A).

contribute to the TRS Fund on the basis of its interstate end-user telecommunications revenues.⁵⁸ A carrier's contribution to the TRS Fund is based upon its subject revenues for the prior calendar year and a contribution factor determined annually by the Commission.⁵⁹ Subject carriers must make TRS contributions on an annual basis, with certain exceptions.⁶⁰ By its own admission, Teletronics has not made any TRS payments.⁶¹ We therefore find that it has apparently violated section 64.604(c)(5)(iii)(A) of the Commission's rules by willfully and repeatedly failing to make required TRS contributions, including one such failure in the past year which is the subject of this NAL.

E. Failure to Make Numbering Administration Contributions

25. We further find that Teletronics has apparently violated section 251(e)(2) of the Act and section 52.17(a) of the Commission's rules⁶² by willfully and repeatedly failing to make any required contributions toward the costs of numbering administration. As a telecommunications carrier, Teletronics was obligated to contribute to NANPA cost recovery mechanisms on the basis of its end-user telecommunications revenues during this period.⁶³ As Teletronics admits, it has not made any NANPA payments.⁶⁴ We therefore conclude that it has apparently violated section 251(e)(2) of the Act and section 52.17(a) of the Commission's rules by willfully and repeatedly failing to make required NANPA contributions, including one such failure in the past year which is the subject of this NAL.

F. Failure to Pay Regulatory Fees

26. We finally conclude that Teletronics has apparently violated sections 1.1154 and 1.1157(b)(1) of the Commission's rules⁶⁵ by willfully and repeatedly failing to pay required regulatory fees to the Commission on the basis of its interstate and international end-user revenues. As Teletronics acknowledges, it has not paid any regulatory fees.⁶⁶ We therefore find that it has apparently violated sections 1.1154 and 1.1157(b)(1) of the Commission's rules by willfully and repeatedly failing to pay required regulatory fees, including one such failure in the last year which is the subject of this NAL.

G. Proposed Forfeiture

27. Section 503(b)(1)(B) of the Act provides that any person that willfully or repeatedly fails to comply with any provision of the Act or any rule, regulation, or order issued by the Commission, shall be

⁵⁸ *Id.* Each subject carrier must contribute at least \$25 per year. Carriers whose annual contributions are less than \$1,200 must pay the entire amount at the beginning of the contribution period. 47 C.F.R. § 64.604(c)(5)(iii)(B). Otherwise, carriers may divide their contributions into equal monthly payments. *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ Teletronics November 24 Letter, Response to Inquiry No. 10.

⁶² 47 U.S.C. § 251(e)(2); 47 C.F.R. § 52.17(a).

⁶³ *Id.* § 52.17(a). In particular, contributions to support numbering administration are based upon a carrier's end-user telecommunications revenues for the prior calendar year and a contribution factor determined annually by the Chief of the Wireline Competition Bureau, but in no event will be less than \$25. *Id.* NANPA contributions are due on an annual basis, with certain exceptions.

⁶⁴ Teletronics November 24 Letter, Response to Inquiry No. 11.

⁶⁵ 47 C.F.R. §§ 1.1154, 1.1157. Payments of standard regulatory fees applicable to common carrier services must be filed in full on an annual basis. *Id.* § 1.1157(b)(1).

⁶⁶ Teletronics November 24 Letter, Response to Inquiry No. 13.

liable to the United States for a forfeiture penalty.⁶⁷ For the apparent violations in this case, section 503(b)(2)(B) of the Act authorizes the Commission to assess a forfeiture of up to \$120,000 for each violation or each day of a continuing violation, up to a statutory maximum of \$1.2 million for a single act or failure to act for violations occurring before September 7, 2004, and up to \$130,000 for each violation or each day of a continuing violation, up to a statutory maximum of \$1.325 million for a single act or failure to act for violations occurring on or after September 7, 2004.⁶⁸ In determining the appropriate forfeiture amount, we consider the factors enumerated in section 503(b)(2)(D) of the Act, including “the nature, circumstances, extent and gravity of the violation, and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”⁶⁹

28. Under section 503(b)(6) of the Act, we may only propose forfeitures for apparent violations that accrued within one year of the date of this NAL.⁷⁰ Nevertheless, section 503 does not bar us from assessing whether Teletronics’ conduct prior to that time period apparently violated the Act or our rules in determining the appropriate forfeiture amount for those violations within the statute of limitations.⁷¹ Therefore, although we find that Teletronics apparently violated the Act and our rules in multiple years, we propose forfeitures here only for violations that occurred within the last year.

29. In contrast to previous cases in which we have taken enforcement action for failure to satisfy universal service obligations,⁷² this case involves a carrier that has never registered and submitted any periodic Telecommunications Reporting Worksheets from the time it commenced providing telecommunications service until the present, in this case a period of over five years. These failures have continued notwithstanding the Bureau’s multiple notifications to Teletronics and Teletronics’ own acknowledgement of its obligations and omissions. Thus, we find Teletronics’ failure to register to be particularly egregious. As we stated above, registration is fundamental to the implementation of our central repository of carriers and to the administration of multiple statutorily-derived programs — the Universal Service Fund, the Telecommunications Relay Service Fund, North American Numbering Plan Administration cost recovery mechanisms, and the regulatory fee program. Where, as here, a carrier ignores its obligations by wholly failing to register, it undermines the programs and thwarts the purposes for which Congress and the Commission established them.

30. The Commission’s *Forfeiture Policy Statement* and implementing rules prescribe a base forfeiture of \$3,000 for failure to file required forms or information.⁷³ In the past, we have held that a substantial upward adjustment to \$50,000 is warranted for a carrier’s failure to file its Telecommunications Reporting Worksheets for revenue reporting purposes.⁷⁴ We find that failure to

⁶⁷ 47 U.S.C. § 503(b)(1)(B); *see also* 47 C.F.R. § 1.80(a)(2).

⁶⁸ 47 U.S.C. § 503(b)(2)(B); *see also* 47 C.F.R. § 1.80(b)(2).

⁶⁹ 47 U.S.C. § 503(b)(2)(D); *see also Forfeiture Policy Statement*, 12 FCC Rcd at 17100, ¶ 27; 47 C.F.R. § 1.80(b).

⁷⁰ 47 U.S.C. § 503(b)(6)(B); *see also* 47 C.F.R. § 1.80(c)(3).

⁷¹ *See* 47 C.F.R. § 1.80(b)(4).

⁷² *Cf.*, *Globcom*, 18 FCC Rcd 19893 (2003); *America’s Tele-Network Corp.*, Notice of Apparent Liability for Forfeiture, 15 FCC Rcd 20903 (2000); *Matrix Telecom, Inc.*, Notice of Apparent Liability for Forfeiture, 15 FCC Rcd 13544 (2000); *ConQuest Operator Services Corp.*, Order of Forfeiture, 14 FCC Rcd 12518 (1999) (each carrier had registered and filed Telecommunications Reporting Worksheets prior to the Commission’s inquiry and, in some cases, had paid contributions in part).

⁷³ *See* 47 C.F.R. § 1.80(b)(4).

⁷⁴ In the *Globcom NAL*, the Commission proposed a \$50,000 forfeiture for each instance within the statute of limitations that Globcom failed to file a required Worksheet. *Globcom*, 18 FCC Rcd at 19905, ¶ 32. We note,

register is an even more egregious violation. By ignoring its registration obligation, Teletronics not only has violated our rules with significant ramifications for federal telecommunications policies, but has also hampered efficient and effective Commission enforcement by delaying detection of, and action against, its behavior. Moreover, carriers' failure to register imposes a substantial burden on the Commission, which can only identify such carriers through compliance review programs that require significant amounts of staff time and resources. This egregious behavior strikes at the core of our ability to implement and enforce the Act and our rules effectively, thus warranting a substantial forfeiture. Taking into account all of the factors enumerated in section 503(b)(2)(D) of the Act, we conclude that a proposed forfeiture of \$100,000 for willful and repeated failure to register is warranted.

31. We find that Teletronics' willful and repeated failure to file periodic Telecommunications Reporting Worksheets is also egregious. As we noted above, a carrier's obligation to file these Worksheets is directly linked to, and thus has serious implications for, administration of the USF, TRS, NANPA and regulatory fee programs. By ignoring its reporting obligations, Teletronics has unilaterally shifted to compliant carriers and their customers the economic costs associated with the universal service, TRS and NANPA programs, despite the fact that it has enjoyed many of the benefits derived from them. As noted above, in the past, the Commission has proposed a forfeiture of \$50,000 for failure to file quarterly and annual Worksheets.⁷⁵ Accordingly, we find that Teletronics is apparently liable for a \$250,000 forfeiture for its failure to file its annual and four quarterly Worksheets within the past year.

32. Based on the facts above, it also appears that Teletronics has failed to make any requisite contributions into the Universal Service Fund since 1999. Nonpayment of universal service contributions is an egregious offense that bestows on delinquent carriers an unfair competitive advantage by shifting to compliant carriers the economic costs and burdens associated with universal service. A carrier's failure to make required universal service contributions hampers realization of Congress' policy objective in section 254(d) of the Act to ensure the equitable and non-discriminatory distribution of universal service costs among all telecommunications providers.⁷⁶ The Commission has established a base forfeiture amount of \$20,000 for each month in which a carrier has failed to make any required universal service contributions.⁷⁷ Teletronics has admitted that it has not made any contributions to USF. Consequently, we find that Teletronics is apparently liable for a base forfeiture of \$240,000 for its failure to make any universal service contributions within the past 12 months. That base amount is, however, subject to an upward adjustment.

33. In the past, we have calculated upward adjustments to forfeitures for failure to make USF and TRS payments based on a percentage of the company's unpaid contributions.⁷⁸ In situations such as this one, however, where the subject company has failed to file any information, we cannot determine the full amount owed to the funds until and unless the subject company provides complete and accurate information to the fund administrators. Thus, our ability to calculate and assess accurately an upward adjustment based on a percentage of unpaid contribution amounts can be inhibited by the violator. In such circumstances, companies that comply with our registration and filing requirements might be worse off than those, like Teletronics, that appear to ignore them. Such a result is not only unfair, but is bad public policy. During the course of our investigation, however, we received some revenue information

however, that, unlike Teletronics, Globcom had registered with the Commission and submitted multiple Worksheets prior to our investigation.

⁷⁵ See *id.*

⁷⁶ See 47 U.S.C. § 254(d).

⁷⁷ See *Globcom*, 18 FCC Rcd at 19903-19904, ¶¶ 25-27.

⁷⁸ See, e.g., *id.* 18 FCC Rcd at 19904.

that we will use to estimate the amount Teletronics should have paid in USF contributions since it began operations (approximately \$135,000) for purposes of calculating an upward adjustment of about half of that amount. Therefore, we propose an upward adjustment of \$68,000 for Teletronics' apparent nonpayment violations, taking into account all the factors enumerated in section 503(b)(2)(D) of the Act, and particularly Teletronics' telecommunications service revenue and ability to pay. We thus find Teletronics liable for a total proposed forfeiture of \$308,000 for its apparent willful and repeated failure to make contributions into the Universal Service Fund.

34. We also find that Teletronics has apparently failed to make any TRS contributions since 1999. Where a carrier fails to satisfy its TRS obligations for an extended period of time, it thwarts the purpose for which Congress established section 225(b)(1) of the Act and its implementing regulations — to ensure that telecommunications relay services “are available to the extent possible and in the most efficient manner, to hearing-impaired and speech-impaired individuals in the United States.”⁷⁹ The Commission has established a base forfeiture amount of \$10,000 for each instance in which a carrier fails to make required TRS contributions.⁸⁰ In light of Teletronics' failure to satisfy any TRS obligations since 1999, including the one for 2004, we find it apparently liable for a forfeiture in the amount of \$10,000. For the reasons discussed above regarding Teletronics' failure to make universal service contributions, and consistent with past Commission precedent,⁸¹ we find that an upward adjustment in an amount approximately one half of the carrier's estimated unpaid contributions (approximately \$8,000) is appropriate for Teletronics' apparent failure to make TRS contributions. Taking into account the factors enumerated in section 503(b)(2)(D) of the Act, we conclude that a \$4,000 upward adjustment is reasonable. Consequently, we find Teletronics liable for a total proposed forfeiture of \$14,000 for its willful and repeated failure to satisfy its TRS obligations for 2004.

35. We further conclude that Teletronics apparently failed to make any contributions toward NANPA cost recovery mechanisms on the basis of its actual end-user telecommunications revenues since 1999. As with universal service and TRS, the failure of carriers to make required NANPA contributions for an extended period of time severely hampers the Commission's ability to ensure that the cost of establishing telecommunications numbering administration arrangements are “borne by all telecommunications carriers on a competitively neutral basis” as Congress envisioned.⁸² The Commission has not prescribed a base forfeiture amount for failure to pay NANPA contributions. We find that this violation is similar to the failure to pay required TRS contributions, which are relatively smaller than universal service contributions. Consequently, we find that Teletronics is apparently liable for a forfeiture of \$10,000.

36. Finally, we conclude that Teletronics has apparently failed to make any regulatory fee payments to the Commission on the basis of its actual interstate and international end-user telecommunications revenues since 1999. A carrier's failure to contribute toward the costs of certain regulatory activities from which it benefits undermines the efficiency, equitability, and effectiveness of the regulatory fee program and accomplishment of Congress' objectives in section 9(a)(1) of the Act. The Commission has not established a base forfeiture amount for failure to pay regulatory fees. Regulatory fee obligations, however, are similar to TRS contributions in that they are due annually and

⁷⁹ 47 U.S.C. § 225(b)(1).

⁸⁰ See *Globcom*, 18 FCC Rcd at 19904, ¶ 29.

⁸¹ *Id.*

⁸² 47 U.S.C. § 251(e)(2).

are assessed at similar rates.⁸³ For this reason, we find that a base forfeiture in the amount of \$10,000 for failure to make required regulatory fee payments is appropriate. We, therefore, find Teletronics apparently liable for a \$10,000 forfeiture for its apparent violation of sections 1.1154 and 1.1157 of the Commission's rules.

IV. CONCLUSION

37. In light of the seriousness, duration and scope of the apparent violations, and to ensure that a company with substantial revenues such as Teletronics does not consider the proposed forfeiture merely "an affordable cost of doing business,"⁸⁴ we find that a proposed forfeiture in the amount of \$692,000 is warranted. As discussed, this proposed forfeiture amount includes: (1) a total penalty of \$100,000 for Teletronics' apparent failure to register with the Commission as required by the Commission's rules; (2) a total penalty of \$250,000 for Teletronics' apparent failure to file five Telecommunications Reporting Worksheets within the last year as required by the Commission's rules; (3) a total penalty of \$308,000 for Teletronics' apparent failure to make required universal service contributions for 12 months within the last year on the basis of its end-user telecommunications revenues; (4) a total penalty of \$14,000 for Teletronics' apparent failure to make TRS contributions within the last year on the basis of its interstate end-user telecommunications revenues; (5) a total penalty of \$10,000 for Teletronics' apparent failure to make NANPA contributions within the last year on the basis of its end-user telecommunications revenues; and (6) a total penalty of \$10,000 for Teletronics' apparent failure to make regulatory fee payments within the last year on the basis of its interstate and international end-user telecommunications revenues.

38. We caution that additional violations of the Act or the Commission's rules could subject Teletronics to further enforcement action. Such action could take the form of higher monetary forfeitures and/or possible revocation of Teletronics' operating authority, including disqualification of Teletronics' principals from the provision of any interstate common carrier services without the prior consent of the Commission.⁸⁵ In addition, we note that, to the extent Teletronics is found to be delinquent on any debt owed to the Commission (e.g., has failed to pay all of its USF contributions), the Commission will not act on, and may dismiss, any application or request for authorization filed by Teletronics, in accordance with the agency's "red light" rules.⁸⁶ We order Teletronics to submit within thirty days, either as part of its response to this NAL or separately, a report, supported by a sworn statement or declaration under penalty of perjury of a corporate officer, stating its plan to come into compliance with the relevant payment and reporting rules discussed herein. We further order Teletronics to file with USAC within thirty days all Annual Telecommunications Reporting Worksheets required under the Commission's rules from the date it began providing telecommunications service in the United States to the date of this NAL.

⁸³ For example, the 2004 TRS Fund contribution factor was .00356 per dollar of interstate and international end-user revenue and the 2004 interstate telecommunications regulatory fee assessment was .00218 per dollar of interstate and international end-user revenue. *See Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 19 FCC Rcd 12224, 12225 (2004); *Assessment and Collection of Regulatory Fees for Fiscal Year 2004*, 19 FCC Rcd at 11691.

⁸⁴ *Forfeiture Policy Statement*, 12 FCC Rcd at 17099; *see also* 47 C.F.R. § 1.80(b)(4).

⁸⁵ *See Business Options, Inc.*, Consent Decree, 19 FCC Rcd 2916 (2003); *NOS Communications, Inc., Affinity Network Incorporated and NOSVA Limited Partnership*, Consent Decree, 2003 WL 22439710 (2003).

⁸⁶ 47 C.F.R. § 1.1910.

V. ORDERING CLAUSES

39. ACCORDINGLY, IT IS ORDERED THAT, pursuant to section 503(b) of the Communications Act of 1934, as amended,⁸⁷ and section 1.80 of the Commission's rules,⁸⁸ that Teletronics, Inc. is hereby NOTIFIED of its APPARENT LIABILITY FOR A FORFEITURE in the amount of \$692,000 for willfully and repeatedly violating the Act and the Commission's rules.

40. IT IS FURTHER ORDERED THAT, pursuant to section 1.80 of the Commission's Rules,⁸⁹ within thirty days of the release date of this NOTICE OF APPARENT LIABILITY, Teletronics, Inc. SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

41. IT IS FURTHER ORDERED THAT, pursuant to sections 4(i), 9(a)(1), 219(b), 254(d), 225(b)(1), and 251(e)(2) of the Act, 47 U.S.C. §§ 4(i), 159(a)(1), 219(b), 254(d), 225(b)(1), 251(e)(2), and sections 54.706(a), 64.604(c)(5)(iii), 52.17, 54.711(a), 64.1195(a), 1.1154, and 1.1157(b)(1) of the Commission's rules, 47 C.F.R. §§ 54.706(a), 64.604(c)(5)(iii), 52.17, 54.711(a), 64.1195(a), 1.1154, and 1.1157(b)(1), within thirty days of the release of this NOTICE OF APPARENT LIABILITY AND ORDER, Teletronics, Inc. SHALL SUBMIT a report, supported by a sworn statement or declaration under penalty of perjury by a corporate officer, stating its plan promptly to come into compliance with the payment and reporting rules discussed herein. Teletronics, Inc. also SHALL SUBMIT to the Universal Service Administrative Company within thirty days all Annual Telecommunications Reporting Worksheets required under the Commission's rules from the date Teletronics, Inc. began providing telecommunications service in the United States to the date of this NAL.

42. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Acct. No. and FRN No. referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 358340, Pittsburgh, PA 15251-8340. Payment by overnight mail may be sent to Mellon Bank /LB 358340, 500 Ross Street, Room 1540670, Pittsburgh, PA 15251. Payment by wire transfer may be made to ABA Number 043000261, receiving bank Mellon Bank, and account number 911-6106.

43. The response, if any, to this NOTICE OF APPARENT LIABILITY must be mailed to William H. Davenport, Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554 and must include the NAL/Acct. No. referenced above.

44. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices (GAAP); or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

⁸⁷ 47 U.S.C. § 503(b).

⁸⁸ 47 C.F.R. § 1.80,

⁸⁹ See 47 C.F.R. § 1.80(f)(3).

45. Requests for payment of the full amount of this NAL under an installment plan should be sent to Chief, Credit and Management Center, 445 12th Street, S.W., Washington, D.C. 20554.⁹⁰

46. IT IS FURTHER ORDERED that a copy of this NOTICE OF APPARENT LIABILITY AND ORDER shall be sent by certified mail, return receipt requested, to Gale Kenney, Chief Executive Officer, Teletronics, Inc., 1200 Valley Belt Road, Cleveland, Ohio 44131, and David A. Ferris, Counsel for Teletronics, Inc., Ferris and Neuman, L.L.P., 2733 West Dublin-Granville Road, Columbus, Ohio 43235.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

⁹⁰ See 47 C.F.R. § 1.1914.